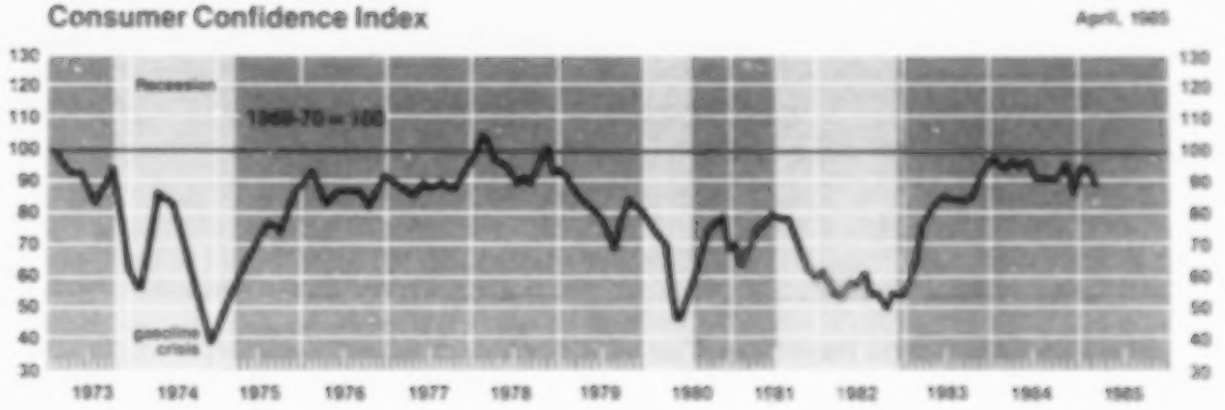
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index



CONSUMER CONFIDENCE DOWN BUT BUYING PLANS STRONG

Consumer spirits sagged in March. The Board's Confidence Index (1969-70 = 100) reading is now 88.1, down 7.7 points from February. The present Index level is slightly below this time a year ago. Intentions to buy cars and homes, however, rose in March.

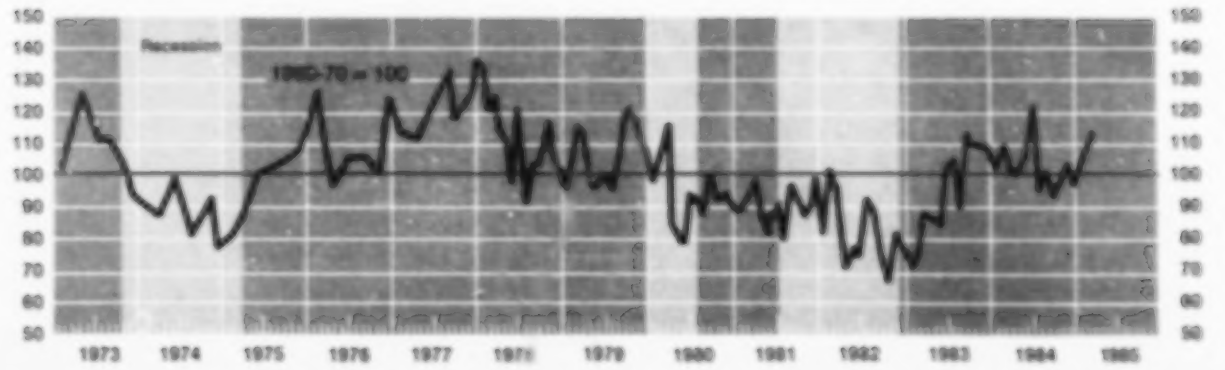
While consumers continue to give the general state of business good marks, there appears to be a growing concern about jobs. There was an increase in the number of those who report that jobs are "hard to get." In looking ahead to the next six months, there also was a fairly large increase in those who fear that the employment situation will become more difficult. Also, there has been a rise in the number of respondents who fear that business conditions will worsen in the coming months.

Although confidence has edged down, consumer plans to buy are, on balance, stronger. Some 10% of survey respondents plan to buy a car over the next six months, up from 9.2% a month earlier. Similarly, intentions to acquire a home rose to 3.6%, a smart gain over the previous month's 3.1 percent. Major appliance buying plans did not change significantly in the month.

There seems to be little in the most recent economic news to explain the decline in consumer confidence. The level of employment continues to edge up and the jobless rate has not changed very much for some months. Although there were some signs of consumer uneasiness in December, the mood did improve in January and February. It is probable that the Ohio Savings Bank crisis in March may have made some consumers less secure about the future. Confidence did decline in eight of the nation's nine geographical regions, but the decrease was especially large in the East North Central area which includes the state of Ohio.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1994 Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	1995 Jan	Feb (r)	Mar (p)
Consumer Confidence Index	94.5	97.3	96.2	97.1	91.1	91.5	91.0	91.3	90.4	92.3	90.4	90.3	90.1
Present Situation	109.3	112.1	110.5	109.2	107.5	106.7	105.4	105.7	104.0	107.1	103.2	103.2	103.2
Expectations	111.5	114.3	113.8	114.1	105.3	105.5	98.1	101.3	101.3	104.2	103.4	104.1	104.0
Buying Plans Index	123.3	123.4	122.1	121.2	94.2	100.0	95.0	99.2	100.7	97.2	100.0	97.7	97.2
Appraisal of Present Situation: Percent													
Business Conditions													
Good	25.4	26.9	26.6	26.8	27.0	27.6	28.7	26.9	29.6	25.6	25.4	28.8	28.4
Bad	20.4	19.9	19.8	18.2	19.8	19.9	19.0	19.7	20.1	22.0	19.1	19.6	19.5
Normal	54.2	53.2	53.6	55.0	53.2	52.5	52.3	53.4	50.3	52.4	51.5	51.6	52.1
Employment													
Jobs plentiful	13.1	15.3	15.6	19.1	17.3	18.1	17.7	16.9	19.1	16.3	18.8	13.8	17.9
Jobs not so plentiful	51.9	48.5	51.2	50.7	49.9	49.0	49.3	49.9	47.8	48.5	50.9	49.4	48.9
Jobs hard to get	35.9	33.2	30.2	32.9	32.8	32.9	33.0	33.2	33.1	35.3	30.3	36.8	33.2
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	26.4	27.4	22.3	23.3	22.2	22.8	23.0	24.3	26.1	20.0	22.0	23.7	19.6
Worse	6.1	5.8	6.9	7.6	8.7	9.0	9.5	8.3	8.6	10.2	7.5	7.5	9.4
Same	67.5	66.8	70.8	69.1	69.1	68.2	67.5	67.4	65.3	69.8	70.5	68.8	71.0
Employment													
More jobs	20.6	20.2	17.8	17.1	16.5	16.7	16.2	18.5	19.2	16.4	17.9	17.2	14.4
Fewer jobs	12.1	11.4	12.2	13.3	15.8	15.2	16.0	16.8	13.7	17.2	14.3	13.7	16.7
Same	67.3	68.4	70.0	69.6	67.7	68.1	67.8	64.7	67.1	66.4	67.8	69.1	68.9
Income													
Increase	26.1	30.6	27.6	29.3	29.5	29.2	27.0	29.1	30.9	26.7	28.9	26.1	25.4
Decrease	7.2	6.8	6.2	6.1	7.6	7.5	7.5	8.6	6.8	7.9	8.2	7.7	7.9
Same	66.7	62.6	66.2	64.6	62.9	64.3	65.5	62.3	62.3	65.4	62.9	66.2	66.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.6	8.5	8.2	10.0	7.9	8.5	7.0	7.9	8.5	8.1	8.9	9.2	10.1
New	4.7	3.9	4.3	5.1	4.6	4.8	3.6	4.4	4.9	4.6	4.7	4.8	5.1
Used	3.0	3.0	3.2	3.3	2.5	2.8	2.3	2.8	2.7	2.6	2.9	3.1	3.7
Uncertain	1.1	1.6	0.7	1.6	0.7	0.9	1.1	0.7	0.9	0.9	1.4	1.3	1.5
Home													
Yes	3.3	3.1	3.7	3.9	3.0	3.3	3.4	3.3	3.1	2.9	3.2	3.1	3.6
New	0.8	0.9	1.0	1.3	1.0	0.9	1.1	1.1	1.0	1.2	0.8	0.5	0.8
Lived in	1.6	1.4	1.7	1.6	1.3	1.6	1.6	1.4	1.3	1.2	1.5	1.4	1.7
Uncertain	0.9	0.8	1.0	0.9	0.7	0.8	0.7	0.8	0.8	0.5	0.9	0.8	1.1
Major appliances													
Total plans	27.4	26.9	27.1	33.5	25.3	26.5	25.8	27.2	29.5	27.8	27.1	28.5	28.6
Refrigerator	3.6	3.7	3.9	5.0	4.1	4.0	4.1	3.5	4.5	4.2	3.5	3.8	4.0
Washing machine	3.8	3.2	3.6	4.0	2.8	3.4	3.3	3.3	3.9	3.5	3.7	3.8	3.8
Black and white TV	0.9	1.1	0.8	1.3	0.8	0.7	0.7	0.5	1.0	0.7	0.7	0.6	0.8
Color TV	7.5	7.7	7.0	8.4	6.1	7.7	7.0	7.5	7.8	7.0	7.3	8.1	7.4
Vacuum Cleaner	4.1	4.8	4.2	6.0	5.1	4.0	4.1	5.2	4.7	5.0	5.1	5.3	4.8
Range	2.9	2.3	2.4	3.0	2.3	2.6	2.9	2.3	2.3	2.5	2.3	2.9	2.6
Clothes dryer	2.6	2.7	3.2	3.3	2.7	3.0	2.5	3.4	3.2	2.9	3.2	3.4	3.2
Air conditioner	2.0	1.4	2.0	2.5	1.4	1.1	1.2	1.5	1.5	1.6	1.3	1.6	2.2
Carpet	7.2	5.9	6.8	8.5	6.2	6.9	6.3	6.9	7.4	7.0	5.9	7.6	6.6
Vacation Intended Within Six Months: Percent													
Vacation Intended		46.9		48.4		49.0		46.5		45.1		48.6	
Destination													
Home state		8.7		9.9		9.5		10.5		7.2		9.6	
Other state		32.8		34.9		33.7		33.6		31.5		33.7	
Foreign country		7.6		6.7		7.5		6.3		6.5		7.1	
Means of Travel													
Automobile		29.8		33.0		31.3		30.3		26.5		29.6	
Airplane		18.6		17.6		17.3		17.3		17.9		19.3	
Other		3.8		3.9		4.6		3.5		3.7		4.6	

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.